

SPECIAL COMMISSION MEETING MINUTES  
December 4, 2012

The Board of Davis County Commissioners met in room 303 of the Davis County Administration Building, Farmington, Utah on December 4, 2012 at 6:00 pm. Members present were Chairman P. Bret Millburn, Commissioner John Petroff Jr., Commissioner Louenda H. Downs, Clerk/Auditor Steve S Rawlings, Chief Deputy Civil Attorney Bill McGuire, and Deputy Clerk/Auditor Linda May.

Commissioner John Petroff led the Pledge of Allegiance. All were invited to stand and join in.

Chairman Millburn welcomed all other elected officials, employees and citizens in attendance. Chairman Millburn announced the agenda for the meeting this evening is to amend the 2012 Budget; hold a Public Hearing for the 2012 Budget; and consideration for possible adoption of the 2013 Budget. The 2013 Tentative Budget has been available to the public since November 21, 2012.

Commissioner Downs made a motion to open the public hearing. Commissioner Petroff seconded the motion. All voted aye.

Jonathan Lee, Chief Deputy Finance, Davis County Clerk/Auditor’s Office, presented the following budget changes for Fund 10 – General Fund that have occurred since the last public hearing on October 16, 2012:

| MJE     | Account #   | Increase | Decrease | Reason                              | Account Name           | Rev/Exp |
|---------|-------------|----------|----------|-------------------------------------|------------------------|---------|
| FUND 10 |             |          |          |                                     |                        |         |
| TBD     | 10-3322-000 | 2,500.00 |          | UDPS SMALL CITY ASSISTANCE          | GRANT REVENUE          | R       |
|         | 10-4210-233 | 2,500.00 |          |                                     | E.S. GRANT EXP         | E       |
| TBD     | 10-3870-000 | 3,000.00 |          | K-9 DOG CONTRIBUTION & RELATED EXP. | PRIVATE CONTRIBUTION   | R       |
|         | 10-4210-231 |          | 3,500.00 | REDUCTION FOR RESIDUAL.             | MILEAGE / LOCAL TRAVEL | E       |
|         | 10-4210-311 |          | 2,545.00 |                                     | P.T. MEDICAL           | E       |
|         | 10-4210-740 | 9,045.00 |          |                                     | EQUIPMENT              | E       |

No public comments were given. Commissioner Petroff made a motion to close the public hearing. Commissioner Downs seconded the motion. All voted aye. Commissioner Petroff made a motion to approve the Fund 10 items as presented. Commissioner Downs seconded the motion. All voted aye.

A budget opening was held for all other funds as follows:

| FUND 11 |             |           |                                   |                             |   |
|---------|-------------|-----------|-----------------------------------|-----------------------------|---|
| 14352   | 11-3340-900 | 24,480.00 | RSVP GRANT                        | RSVP GRANT REVENUE          | R |
|         | 11-4980-110 | 7,500.00  |                                   | WAGES                       | E |
|         | 11-4980-130 | 4,000.00  |                                   | BENEFITS                    | E |
|         | 11-4980-231 | 660.00    |                                   | MILEAGE                     | E |
|         | 11-4980-240 | 300.00    |                                   | OFFICE SUPPLIES             | E |
|         | 11-4980-250 | 1,000.00  |                                   | OPERATING EXP.              | E |
|         | 11-4980-280 | 800.00    |                                   | TELEPHONE                   | E |
|         | 11-4980-643 | 1,500.00  |                                   | COMPUTER EQUIP < \$5K       | E |
|         | 11-4980-690 | 8,020.00  |                                   | EQUIPMENT < \$5K            | E |
|         | 11-4980-691 | 700.00    |                                   | SOFTWARE                    | E |
| FUND 15 |             |           |                                   |                             |   |
| 14420   | 15-3340-051 | 13,500.00 | PPHF (SCHOOLS) 2012 GRANT         | PPHF (SCHOOLS) GRANT REV    | R |
|         | 15-4314-280 | 400.00    |                                   | TELEPHONE                   | E |
|         | 15-4314-643 | 11,400.00 |                                   | COMPUTER EQUIP              | E |
|         | 15-4314-690 | 1,200.00  |                                   | EQUIPMENT < \$5K            | E |
|         | 15-4314-610 | 500.00    |                                   | MISC SUPPLIES               | E |
| FUND 25 |             |           |                                   |                             |   |
| 13482   | 25-3434-000 | 25,000.00 | ADD'L BLDG INSPECTION REV. & EXP. | BUILDING INSPECTION REVENUE | R |
|         | 25-4242-621 | 25,000.00 |                                   | MISC SERVICES               | E |

**FUND 42**

|       |             |              |                             |                       |   |
|-------|-------------|--------------|-----------------------------|-----------------------|---|
| 14442 | 42-3820-000 | 2,275,000.00 | ADMIN BOND ISSUANCE COSTS & | TRANSFER IN           | R |
|       | 42-4280-720 | 2,275,000.00 | INTEREST DURING CONSTRCTN   | BUILDING CONSTRUCTION | E |
|       | 45-4910-910 | 2,275,000.00 |                             | TRANSFER OUT          | E |

Commissioner Downs made a motion to approve the items as presented. Commissioner Petroff seconded the motion. All voted aye.

Commissioner Downs made a motion to open the public hearing for the 2013 Budget. Commissioner Petroff seconded the motion. All voted aye.

Curtis Koch, Davis County Audit/Finance, read the following budget message:

**Budget Message for 2013  
December 4, 2012**

Thanks to our Elected Officials, Department Heads, Budget Committee and very qualified staff who have diligently helped assemble the balanced budget presented this evening for public comment and Commission approval. You have the budget documents before you that have been made available to the public since November 21. There is also supplemental information which has been handed out this evening for review and comment.

A quick review of the materials available includes:

- Budget Message for 2013
- Who Gets Your Tax Dollars Chart
- Budget Highlight Sheet
- Budget Final Page and Fund Summary Budget Final Report

Davis County has had relatively flat operating budgets for the past four years. The economic downturn has certainly contributed with the slowdown in the economy; however, Davis County continues to strive to provide necessary services at the lowest cost to taxpayers. In presenting the proposed 2013 budget, we are not recommending any tax increases, but a relatively flat operating budget with a small increase in operating revenues. We are also not recommending any reduction to services for our County residents.

Summarizing the comparative 2012 approved operating budget of \$97.8 million against the 2013 proposed operating budget of \$101.6 million yields a 3.9% increase or \$3.8 million. Included in this increase is a 1% cost-of-living adjustment and performance pay increase for eligible employees. Elected officials will not receive any increases. For 2013, County Departments requested an additional \$4.0 million more than revenues available. Requests have been trimmed by \$4.0 million to match available resources and continue to provide uninterrupted services to our residents.

Flood projects have been bonded for utilizing existing property tax revenues to make debt service payments on \$27 million dollars of the most critical flood projects without a tax increase. These projects have been ongoing for the last few years and will complete in 2013. The projects completed thus far, have helped County residents avert major negative consequences during the unusually high 2011 Spring runoff season.

Economic Recovery Zone Bonds of \$19.6 million are being utilized to construct badly needed Davis County Farmington campus facilities to replace aging and substandard buildings. These bonds have produced an extremely low interest rate to the County of 3.01 %. They will be paid back over 28 years utilizing the departmental savings mentioned above and the cost savings to maintenance and utilities. The construction of the Children’s Justice Center was completed in January 2012, and the new Administration Building and Headquarters Library are scheduled for completion in Spring, 2013.

Departments have been very frugal in their utilization of budget appropriations. We have held off hiring a number of approved positions in the 2012 year and have adjusted downward in many areas to compensate for increased operating costs. The 2013 Budget includes a decrease of approximately 15 FTEs from 2012. And once again the County anticipates staying below the approved FTE levels.

Davis County continues to maintain the highest bond rating available minimizing interest costs to our taxpayers. In 2012, the County has accelerated bond principal and interest payments and paid off the Bountiful/South Davis Recreation District debt and the Zion’s Bank Lease-Purchase agreement. The County has also refinanced the 2004 General Obligation Jail Bond to an extremely low rate of 2.13% and will use the interest savings to accelerate debt payments for the DMV bond and pay that off in 2014.

We are rigorously maintaining our vehicles and other equipment to extend useful life.

Health insurance providers nationwide are taking needed increases to maintain a positive business posture and we have

built into the 2013 budget the anticipated 5% increase in those benefit costs.

One of the largest challenges, like most Utah counties, has been to get all property values to market values and gain equity in taxation throughout the County. We are seeing very positive results with our increased efforts and appropriations to the Assessing and Collecting and Tax Administration functions. Our appeal process is working very effectively and efficiently. The number of appeals and costs directly related to that process has been significantly reduced from previous years.

As you consider your comments, please note the following areas on the "Where Your Property Tax Goes" summary as the areas that Davis County Government has responsibility and oversight for. As presented in the 2013 budget this evening, the Davis County portion approximates 20% of your total property taxes consisting of the line items for Davis County Government and the Davis County Library system.

The remaining approximately 80% of the property taxes shown on this graph are collected for the Davis School District, Cities, Sewer and Water Districts, Weber Basin Water, Fire Districts, Recreation District, and Mosquito Abatement and are distributed to those taxing entities and their respective budgets. Those budget hearings are under the management and control of those separate entities and are not included in the Davis County Budget.

As we progress through the 2013 year and continue to monitor the economic climate we will be ready to react to any additional material downward or upward changes in revenue with offsetting changes in expenditures.

Commissioners and others attending, this concludes our budget message for the 2013 Budget. It is our recommendation that you now consider this budget for approval.

Chairman Millburn expressed appreciation to the Budget Committee. Those who serve on the Budget Committee are: Steve Rawlings, Clerk/Auditor and Budget Officer; Commissioner Bret Millburn; Commission Louenda Downs; Commissioner John Petroff; Mark Altom, Treasurer; Mel Miles, Personnel Director; Mark Langston, IT Director; Terry Tremea, Chief Deputy Administration; Curtis Koch, Chief Deputy Audit/Finance Director; and Jonathan Lee, Finance Director. A thank you was expressed to all departments and each employee for their efficiency and helping to run a tight ship and their hard work. Kudos to the Department Heads who when the initial requests came in were \$4 million over budget and have recognized the circumstances and have worked to help us come in on budget.

Public comments received:

- Colin Burton, Layton, Utah: I have a question about the statement by Curtis of no reduction services with the new budget. You are closing down the Tech Center. This is a service to the public. Many people have explained to us it is an important service and they enjoy the service. They do not have to worry about being overcharged or oversold items not needed when we do the inspection for them. I think there are services being taken from the public. A little bit further, the decision to close the center has affected more than just the employees as they have families to feed, home mortgages to pay, loans, and doctor bill to pay. These are residents of the county. How can laying off these people when they have never been in the red be an advantage? You are actually taking revenue from the county. They projected there might be a loss. Every time we get figures or read figures in the paper from management we get different amounts. It has not been explained to us. No one has given us a budget showing where losses or profits are. It is my opinion that in a democracy the people's voice should rule. It should be in an open meeting, published in the newspaper, and public comment received.
- Raquel Alvarez, Clinton, Utah: Mr. Burton has covered most of what I wanted to say. You have forgotten who elected you. Government doesn't always have the right answer in the best interest of the public. I feel the public has not had a say in this matter.
- Rick Kowalczyk, Fruit Heights, Utah: I am a computer programmer by trade. I am part of the public and am disappointed in the decision to close the tech center. I have two reasons: (1) Based on the government mandate to have vehicle inspections and emission control and yet we have no government source to go to in order to do this. Mandated yet we have to go to private sector vendor to do this service. That was the primary argument against Obama care was mandating to buy insurance from a private

company. (2) We had convenience and professionalism with no chance of being ripped off and having additional things added on when we take a car in for inspection is a benefit I have used. I know family members have told me horror stories of where they have been ripped off. Will there be a program to monitor this? To close to save money is not the best as the Health Department, golf courses, CJC are all money losers and we are keeping the. I understand we will be leasing out the diesel portion which is the least profitable. Will we be able to get it back if necessary to get back into emission testing again? I thank the commission for the way they run Davis County.

Commissioner Downs made a motion to close the public hearing. Commissioner Petroff seconded the motion. All voted aye.

#### Commission Comments:

Chairman Millburn stated would take a few moments to make a couple of comments regarding the concerns and issues about the I/M Center in Kaysville. I think I can speak in behalf of those here on the stand and the many other involved in this decision. It has not been made lightly and it has been made with a lot thought, analysis, time, and consideration. I think I can speak in behalf of everyone that we are truly sorry for the loss of jobs and the hardships that it may create on our employees and their families. It is not something we do with any kind of pleasure. The closure is not due in any part to any shortcomings of our fantastic staff. I personally want to thank each and every one of the employees for their many dedicated years of great service to Davis County. I have received personally comments and stories of the professional service that has been rendered. As I have mentioned, this decision has been deliberate and careful in the manner in which it has been reached. It has been over a number of months and in consultation with a number of individuals and groups: Health Director, Board of Health, County Budget Committee, and Clerk/Auditor's Office. It is important to note that during this process we have been mindful of following state laws and being stewards of Davis County resources. With that being said we were also mindful of the impact and consequences this would have on a group of our employees. Unfortunately the correct decision was to discontinue having county employees do the safety and emission testing and place it in the hands of 120 privately owned businesses. Therefore, the answer to an earlier question, "There are places to have this done". I think it is unfortunate that patrons are not always treated in a trustworthy manner but, don't want to lump all together with what may occur with a few. I remind everybody this decision was made many months ago and we delayed implementation to the end of the year to allow employees to seek other employment.

I want to touch quickly on why we are even in this position. (1) State law clearly directs counties to use private sector resources for emissions. (2) Senator Dugal's bill passed in the last legislative session severely curtails safety inspections. It has impacted us and the private sector. It will take \$300,000 out for 2013. There was a point at which the bill actually called out for the center to be closed and then it was taken out of the language. The intent was for providing opportunity for the private sector and that is where we need to be.

We have labored over keeping the diesel. Folks would be concerned if we walked away as diesels are the most polluters. Final decision has been made and we need to focus on the county budget being passed and allowing departments to have the final budget to work with for 2013.

Commissioner Petroff stated he believe the Budget Committee has done a great job and has been as efficient as possible. The process has taken several months. Thanks for all the time spent.

Commission Downs stated we are an arm of the State of Utah. We are required to carry out directives and it is not always easy. We must work to follow the statute. Pushing off to private was not an easy decision as we know it affect citizens. We appreciate how people have labored over this, the comments given, and the service given.

Steve Rawlings, Davis County Clerk/Auditor, he has concern for comments given. We have made a good

decision and I recommend the approval of the budget.

2013  
Budget  
Adopted

Commissioner Petroff made a motion to approve the 2013 Budget. Commissioner Downs seconded the motion. All voted aye.  
  
Meeting adjourned at 6:45 pm.